

16-10a-1604 Court-ordered inspection.

- (1) If a corporation does not allow a shareholder or director, or the shareholder's or director's agent or attorney, who complies with Subsection 16-10a-1602(1) to inspect or copy any records required by that subsection to be available for inspection, the district court of the county in this state in which the corporation's principal office is located, or in Salt Lake County if it has no principal office in this state, may summarily order inspection and copying of the records demanded at the corporation's expense, on application of the shareholder or director denied access to the records.
- (2) If a corporation does not within a reasonable time allow a shareholder or director, or the shareholder's or director's agent or attorney, who complies with Subsections 16-10a-1602(2) and (3), to inspect and copy any records which he is entitled to inspect or copy by this part, then upon application of the shareholder or director denied access to the records, the district court of the county in this state where the corporation's principal office is located or, if it has no principal office in this state, the district court for Salt Lake County, may summarily order the inspection or copying of the records demanded. The court shall dispose of an application under this subsection on an expedited basis.
- (3) If a court orders inspection or copying of records demanded, it shall also order the corporation to pay the shareholder's or director's costs incurred to obtain the order, including reasonable counsel fees, unless the corporation proves that it refused inspection in good faith because it had a reasonable basis for doubt about the right of the shareholder or director, or the shareholder's or director's agent or attorney, to inspect the records demanded.
- (4) If a court orders inspection or copying of records demanded, it may:
 - (a) impose reasonable restrictions on the use or distribution of the records by the demanding shareholder or director;
 - (b) order the corporation to pay the shareholder or director for any damages incurred as a result of the corporation's denial if the court determines that the corporation did not act in good faith in refusing to allow the inspection or copying;
 - (c) if inspection or copying is ordered pursuant to Subsection (2), order the corporation to pay the expenses of inspection and copying if the court determines that the corporation did not act in good faith in refusing to allow the inspection or copying; and
 - (d) grant the shareholder or director any other available legal remedy.

Amended by Chapter 364, 2008 General Session